

Bell Atlantic
1300 I Street N.W.
Suite 400W
Washington, DC 20005

EX PARTE OR LATE FILED



July 16, 1998

Ex Parte

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, N.W. - Room 222
Washington, D.C. 20554

RECEIVED

JUL 16 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: CC Docket Nos 96-45 & 97-160

ORIGINAL

Dear Ms. Salas:

On Wednesday, July 15, 1998, Mr. Frank Gumper and I representing Bell Atlantic, met with Chairman Pat Wood with the Texas Public Utilities and a member of the Federal/ State Joint Board on Universal Service CC Docket 96-45. The discussion concerned the filing made by Bell Atlantic on May 15 in the items captioned above. The attached material served as the basis for the presentation during this meeting.

Any questions on this filing should be directed to me at 202-336-7875 or at the address shown above.

Sincerely,

Stacey Chaney (TAR)

Attachments

cc: The Honorable Pat Wood
Texas Public Service Commission

Mr. Rolland Curry
Texas Public Service Commission

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Proposed Modifications to Ad Hoc's Plan

Attachment 1

RECEIVED

A	B	C	D	E	F	G	H
USAC Loops & Subsidy				Calc. New Statewide USF Sub.		FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY	JUL 16 1998
State	Sum of USF Loops	Current Statewide Subsidy Annualized (USF, DEM, LTS)	Hold Harmless for Small Companies	50% Comb & 50% Actual AMC	New Statewide USF using 50% Comb & 50% Actual AMC	Proposed Support	Years
AK	377,416	\$62,597,604	\$62,597,604	\$36.50	\$62,597,604.00	\$62,597,604	\$0
AL	2,312,101	\$39,274,860	\$22,682,400	\$36.22	\$25,386,868.98	\$25,386,869	(\$13,887,991)
AR	1,318,280	\$70,701,192	\$36,147,528	\$43.01	\$95,034,805.20	\$95,034,805	\$24,333,613
AZ	2,541,549	\$28,723,608	\$10,189,632	\$32.02	\$0.00	\$10,189,632	(\$18,533,976)
CA	20,809,546	\$55,285,308	\$30,822,924	\$24.56	\$0.00	\$30,822,924	(\$24,462,384)
CO	2,452,764	\$45,893,436	\$41,073,084	\$34.23	\$0.00	\$41,073,084	(\$4,820,352)
CT	2,010,578	\$1,399,680	\$1,399,680	\$30.17	\$0.00	\$1,399,680	\$0
DC	901,311	\$0	\$0	\$17.43	\$0.00	\$0	\$0
DE	507,860	\$0	\$0	\$24.95	\$0.00	\$0	\$0
FL	9,897,855	\$24,235,140	\$16,963,092	\$29.14	\$0.00	\$16,963,092	(\$7,272,048)
GA	4,513,317	\$72,279,888	\$49,460,556	\$34.35	\$0.00	\$49,460,556	(\$22,819,332)
HI	693,630	\$897,516	\$897,516	\$32.09	\$897,516.00	\$897,516	\$0
IA	1,539,592	\$27,500,136	\$25,868,916	\$37.10	\$29,098,288.80	\$29,098,289	\$1,598,153
ID	642,252	\$28,936,632	\$16,425,936	\$38.94	\$22,774,255.92	\$22,774,256	(\$6,162,376)
IL	7,714,111	\$21,584,928	\$19,964,484	\$26.11	\$0.00	\$19,964,484	(\$1,620,444)
IN	3,342,142	\$16,500,984	\$15,503,484	\$30.62	\$0.00	\$15,503,484	(\$997,500)
KS	1,523,369	\$57,721,656	\$39,261,888	\$38.11	\$42,639,098.31	\$42,639,098	(\$15,082,558)
KY	1,986,504	\$25,611,804	\$11,208,288	\$37.42	\$43,266,057.12	\$43,266,057	\$17,654,253
LA	2,340,006	\$67,614,840	\$65,039,544	\$35.05	\$1,053,002.70	\$65,039,544	(\$2,575,296)
MA	4,273,186	\$417,600	\$417,600	\$26.88	\$0.00	\$417,600	\$0
MD	3,344,003	\$588,636	\$588,636	\$25.98	\$0.00	\$588,636	\$0
ME	775,211	\$16,551,732	\$16,335,516	\$39.98	\$34,744,957.02	\$34,744,957	\$18,193,225
MI	6,028,449	\$33,670,200	\$29,644,908	\$28.34	\$0.00	\$29,644,908	(\$4,025,292)
MN	2,773,994	\$37,414,656	\$33,343,980	\$32.61	\$0.00	\$33,343,980	(\$4,070,676)
MO	3,192,721	\$50,440,560	\$28,167,648	\$34.95	\$0.00	\$28,167,648	(\$22,272,912)
MS	1,270,809	\$28,165,488	\$16,627,044	\$43.91	\$101,906,173.71	\$101,906,174	\$73,740,686
MT	488,467	\$44,155,068	\$42,809,556	\$50.35	\$67,481,716.05	\$67,481,716	\$23,326,648
NC	4,453,425	\$40,577,496	\$22,666,872	\$34.42	\$0.00	\$22,666,872	(\$17,910,624)
ND	393,678	\$21,197,016	\$21,197,016	\$46.58	\$41,029,121.16	\$41,029,121	\$19,832,105
NE	958,710	\$19,706,664	\$18,646,644	\$40.19	\$44,781,344.10	\$44,781,344	\$25,074,680
NH	770,057	\$9,046,716	\$8,177,904	\$34.53	\$0.00	\$8,177,904	(\$868,812)
NJ	5,894,627	\$3,282,276	\$1,153,296	\$23.25	\$0.00	\$1,153,296	(\$2,128,980)
NM	862,940	\$35,243,244	\$26,002,800	\$39.79	\$37,201,343.40	\$37,201,343	\$1,958,099
NV	1,122,489	\$8,859,732	\$7,675,524	\$25.88	\$0.00	\$7,675,524	(\$1,184,208)
NY	12,306,488	\$37,931,772	\$24,083,412	\$29.56	\$0.00	\$24,083,412	(\$13,848,360)
OH	6,488,115	\$14,766,612	\$14,766,612	\$29.23	\$0.00	\$14,766,612	\$0
OK	1,869,687	\$59,899,752	\$45,769,176	\$37.69	\$45,265,122.27	\$45,769,176	(\$14,130,576)
OR	1,909,459	\$37,091,748	\$34,728,912	\$33.79	\$0.00	\$34,728,912	(\$2,362,836)
PA	7,669,723	\$25,552,656	\$15,280,380	\$25.86	\$0.00	\$15,280,380	(\$10,272,276)
PR	1,188,082	\$145,852,320	\$145,852,320	\$38.85	\$145,852,320.00	\$145,852,320	\$0
RI	625,327	\$0	\$0	\$27.68	\$0.00	\$0	\$0
SC	2,042,697	\$45,209,328	\$28,352,844	\$36.94	\$35,665,489.62	\$35,665,490	(\$9,543,838)
SD	395,137	\$16,806,792	\$16,806,792	\$47.55	\$44,630,724.15	\$44,630,724	\$27,823,932
TN	3,161,392	\$27,766,632	\$27,766,632	\$33.42	\$0.00	\$27,766,632	\$0
TX	11,286,718	\$124,215,300	\$91,359,504	\$32.34	\$0.00	\$91,359,504	(\$32,855,796)
UT	1,022,290	\$8,403,012	\$8,403,012	\$30.62	\$0.00	\$8,403,012	\$0
VA	4,166,624	\$13,671,552	\$8,995,884	\$29.63	\$0.00	\$8,995,884	(\$4,675,668)
VT	380,284	\$11,843,472	\$9,869,256	\$43.12	\$27,791,154.72	\$27,791,155	\$15,947,683
WA	3,333,124	\$43,494,372	\$17,281,152	\$31.40	\$0.00	\$17,281,152	(\$26,213,220)
WI	3,172,890	\$51,445,152	\$45,912,648	\$30.36	\$0.00	\$45,912,648	(\$5,532,504)
WV	930,411	\$21,184,260	\$3,124,524	\$42.69	\$64,393,745.31	\$64,393,745	\$43,209,485
WY	272,633	\$21,358,524	\$16,614,036	\$46.93	\$29,272,605.21	\$29,272,605	\$7,914,081
St. DC & PR	166,250,030	\$1,702,569,552	\$1,293,928,596	\$30.36	\$1,042,763,314	\$1,713,045,360	\$10,475,808
GU	0	\$1,065,924	\$1,065,924	n/a	\$1,065,924	\$1,065,924	\$0
MCR	18,837	\$4,910,796	\$4,910,796	n/a	\$4,910,796	\$4,910,796	\$0
VI	58,315	\$16,245,684	\$16,245,684	n/a	\$16,245,684	\$16,245,684	\$0
Total	166,327,182	\$1,724,791,956	\$1,316,151,000	n/a	\$1,064,985,718	\$1,735,267,764	\$10,475,808

Impact Summary By State
Benchmark = \$35 (115%)

Attachment 2
USF Results

State	Decreased Level of Funding
NH	(\$868,812)
IN	(\$997,500)
NV	(\$1,184,208)
IL	(\$1,620,444)
NJ	(\$2,128,980)
OR	(\$2,362,836)
LA	(\$2,575,296)
MI	(\$4,025,292)
MN	(\$4,070,676)
VA	(\$4,675,668)
CO	(\$4,820,352)
WI	(\$5,532,504)
ID	(\$6,162,376)
FL	(\$7,272,048)
SC	(\$9,543,838)
PA	(\$10,272,276)
NY	(\$13,848,360)
AL	(\$13,887,991)
OK	(\$14,130,576)
KS	(\$15,082,558)
NC	(\$17,910,624)
AZ	(\$18,533,976)
MO	(\$22,272,912)
GA	(\$22,819,332)
CA	(\$24,462,384)
WA	(\$26,213,220)
TX	(\$32,855,796)

50% Combined and 50% Embed. AMC
Benchmark = \$35 (115%)

BA Proposal

Attachment 1
USF Calculations USAC Loops

State	Current Support	Proposed Support	Change Over 3 Years
AK	\$62,597,604	\$62,597,604.00	\$0
AL	\$39,274,860	\$25,386,868.98	(\$13,887,991)
AR	\$70,701,192	\$95,034,805.20	\$24,333,613
AZ	\$28,723,608	\$10,189,632.00	(\$18,533,976)
CA	\$55,285,308	\$30,822,924.00	(\$24,462,384)
CO	\$45,893,436	\$41,073,084.00	(\$4,820,352)
CT	\$1,399,680	\$1,399,680.00	\$0
DC	\$0	\$0.00	\$0
DE	\$0	\$0.00	\$0
FL	\$24,235,140	\$16,963,092.00	(\$7,272,048)
GA	\$72,279,888	\$49,460,556.00	(\$22,819,332)
HI	\$897,516	\$897,516.00	\$0
IA	\$27,500,136	\$29,098,288.80	\$1,598,153
ID	\$28,936,632	\$22,774,255.92	(\$6,162,376)
IL	\$21,584,928	\$19,964,484.00	(\$1,620,444)
IN	\$16,500,984	\$15,503,484.00	(\$997,500)
KS	\$57,721,656	\$42,639,098.31	(\$15,082,558)
KY	\$25,611,804	\$43,266,057.12	\$17,654,253
LA	\$67,614,840	\$65,039,544.00	(\$2,575,296)
MA	\$417,600	\$417,600.00	\$0
MD	\$588,636	\$588,636.00	\$0
ME	\$16,551,732	\$34,744,957.02	\$18,193,225
MI	\$33,670,200	\$29,644,908.00	(\$4,025,292)
MN	\$37,414,656	\$33,343,980.00	(\$4,070,676)
MO	\$50,440,560	\$28,167,648.00	(\$22,272,912)
MS	\$28,165,488	\$101,906,173.71	\$73,740,686
MT	\$44,155,068	\$67,481,716.05	\$23,326,648
NC	\$40,577,496	\$22,666,872.00	(\$17,910,624)
ND	\$21,197,016	\$41,029,121.16	\$19,832,105
NE	\$19,706,664	\$44,781,344.10	\$25,074,680
NH	\$9,046,716	\$8,177,904.00	(\$868,812)
NJ	\$3,282,276	\$1,153,296.00	(\$2,128,980)
NM	\$35,243,244	\$37,201,343.40	\$1,958,099
NV	\$8,859,732	\$7,675,524.00	(\$1,184,208)
NY	\$37,931,772	\$24,083,412.00	(\$13,848,360)
OH	\$14,766,612	\$14,766,612.00	\$0
OK	\$59,899,752	\$45,769,176.00	(\$14,130,576)
OR	\$37,091,748	\$34,728,912.00	(\$2,362,836)
PA	\$25,552,656	\$15,280,380.00	(\$10,272,276)
PR	\$145,852,320	\$145,852,320.00	\$0
RI	\$0	\$0.00	\$0
SC	\$45,209,328	\$35,665,489.62	(\$9,543,838)
SD	\$16,806,792	\$44,630,724.15	\$27,823,932
TN	\$27,766,632	\$27,766,632.00	\$0
TX	\$124,215,300	\$91,359,504.00	(\$32,855,796)
UT	\$8,403,012	\$8,403,012.00	\$0
VA	\$13,671,552	\$8,995,884.00	(\$4,675,668)
VT	\$11,843,472	\$27,791,154.72	\$15,947,683
WA	\$43,494,372	\$17,281,152.00	(\$26,213,220)
WI	\$51,445,152	\$45,912,648.00	(\$5,532,504)
WV	\$21,184,260	\$64,393,745.31	\$43,209,485
WY	\$21,358,524	\$29,272,605.21	\$7,914,081
St. DC & PR	\$1,702,569,552	\$1,713,045,361	\$10,475,809
GU	\$1,065,924	\$1,065,924	\$0
MCR	\$4,910,796	\$4,910,796	\$0
VI	\$16,245,684	\$16,245,684	\$0
Total	\$1,724,791,956	\$1,735,267,765	\$10,475,809

Impact Summary By State
Benchmark = \$35 (115%)

Attachment 2
USF Results

State	Increased Level of Funding
MS	\$73,740,686
WV	\$43,209,485
SD	\$27,823,932
NE	\$25,074,680
AR	\$24,333,613
MT	\$23,326,648
ND	\$19,832,105
ME	\$18,193,225
KY	\$17,654,253
VT	\$15,947,683
WY	\$7,914,081
NM	\$1,958,099
IA	\$1,598,153

State	No Impact on Funding
AK	\$0
CT	\$0
DC	\$0
DE	\$0
HI	\$0
MA	\$0
MD	\$0
OH	\$0
PR	\$0
RI	\$0
TN	\$0
UT	\$0

Non-Rural Holding Companies

1 Million or More USAC Loops
Nationally

Holding Company Name	USAC Loops
BELL ATLANTIC	38,042,224
SOUTHWESTERN BELL	31,551,489
BELLSOUTH	22,079,006
AMERITECH	19,686,102
GTE CORPORATION	17,403,205
US WEST	15,118,481
SPRINT	7,134,587
SOUTHERN NEW ENGLAND TELEPHONE	1,990,248
ALLTEL SERVICE CORP	1,634,560
PUERTO RICO TEL CO	1,188,082

100k - 1 Million USAC Loops Nationally

Holding Company Name	USAC Loops
FRONTIER CORPORATION	976,115
CINCINNATI BELL	941,316
CITIZENS UTILITIES	864,563
PACIFIC TELECOM INC	514,808
TDS TELECOM	477,695
CENTURY TELEPHONE	468,815
ALIANTE COMMUNICATIONS CO.	269,410
COMMONWEALTH TEL CO	239,060
ANCHORAGE TEL UTILITY	157,299
NORTH STATE TEL CO	111,774
ROSEVILLE TEL CO	103,468
ROCK HILL TELEPHONE	101,747

USF Funding Projection

State of Texas
Current Subsidy (all companies)
versus "Hold Harmless" Subsidy (small companies)

Holding Company	Operating Company	Current Subsidy (Note 1)	Current Subsidy for Small Companies (Note 2)	Difference (Delta Yr 3)
ALENCO COMMUNICATION	ALENCO COMMUNICATIONS INC	\$1,839,408	\$1,839,408	\$0
	ALENCO COMMUNICATION Total	\$1,839,408	\$1,839,408	\$0
ALLTEL SERVICE CORP	SUGAR LAND TEL CO (2)	\$133,188	\$0	-\$133,188
	TEXAS-ALLTEL INC (2)	\$5,548,488	\$0	-\$5,548,488
	ALLTEL SERVICE CORP Total	\$5,681,676	\$0	-\$5,681,676
BIG BEND TEL CO INC	BIG BEND TELEPHONE COMPANY INC	\$6,757,404	\$6,757,404	\$0
	BIG BEND TEL CO INC Total	\$6,757,404	\$6,757,404	\$0
BLOSSOM TEL CO	BLOSSOM TELEPHONE COMPANY	\$112,536	\$112,536	\$0
	BLOSSOM TEL CO Total	\$112,536	\$112,536	\$0
BORDER TO BORDER COM	BORDER TO BORDER COMMUNICATIONS	\$596,292	\$596,292	\$0
	BORDER TO BORDER COM Total	\$596,292	\$596,292	\$0
BRAZORIA TEL CO	BRAZORIA TEL CO	\$2,242,488	\$2,242,488	\$0
	BRAZORIA TEL CO Total	\$2,242,488	\$2,242,488	\$0
BRAZOS TEL COOP INC	BRAZOS TELEPHONE COOPERATIVE INC	\$2,284,944	\$2,284,944	\$0
	BRAZOS TEL COOP INC Total	\$2,284,944	\$2,284,944	\$0
BRAZOS TELECOM	BRAZOS TELECOMMUNICATIONS INC (3)		\$0	\$0
	BRAZOS TELECOM Total		\$0	\$0
CAMERON TELEPHONE CO	CAMERON TELEPHONE COMPANY - TEXAS	\$298,092	\$298,092	\$0
	CAMERON TELEPHONE CO Total	\$298,092	\$298,092	\$0
CAP ROCK TEL CO INC	CAP ROCK TELEPHONE COOPERATIVE INC	\$1,049,964	\$1,049,964	\$0
	CAP ROCK TEL CO INC Total	\$1,049,964	\$1,049,964	\$0
CENTRAL TX TEL CO-OP	CENTRAL TEXAS TELEPHONE CO-OP INC	\$3,161,448	\$3,161,448	\$0
	CENTRAL TX TEL CO-OP Total	\$3,161,448	\$3,161,448	\$0
CENTURY TELEPHONE	CENTURY TEL OF LAKE DALLAS INC	\$2,669,892	\$2,669,892	\$0
	CENTURY TEL OF PORT ARANSAS INC	\$989,352	\$989,352	\$0
	CENTURY TELEPHONE OF SAN MARCOS INC	\$2,515,176	\$2,515,176	\$0
	CENTURY TELEPHONE Total	\$6,174,420	\$6,174,420	\$0
COLEMAN COUNTY TEL	COLEMAN COUNTY TELEPHONE CO-OP INC	\$798,276	\$798,276	\$0
	COLEMAN COUNTY TEL Total	\$798,276	\$798,276	\$0
COLORADO VLY TEL CO	COLORADO VALLEY TELEPHONE CO-OP INC	\$2,263,968	\$2,263,968	\$0
	COLORADO VLY TEL CO Total	\$2,263,968	\$2,263,968	\$0
COMANCHE CTY TEL CO	COMANCHE COUNTY TEL COMPANY INC	\$635,664	\$635,664	\$0
	COMANCHE CTY TEL CO Total	\$635,664	\$635,664	\$0
COMMUNITY TEL CO	COMMUNITY TELEPHONE COMPANY INC	\$631,356	\$631,356	\$0
	COMMUNITY TEL CO Total	\$631,356	\$631,356	\$0
CUMBY TEL COOP INC	CUMBY TELEPHONE COOPERATIVE INC	\$273,480	\$273,480	\$0
	CUMBY TEL COOP INC Total	\$273,480	\$273,480	\$0
DELL TELEPHONE CO-OP INC	DELL TELEPHONE CO-OP INC - TX	\$1,661,736	\$1,661,736	\$0
	DELL TELEPHONE CO-OP INC Total	\$1,661,736	\$1,661,736	\$0
DUNBARTON TEL CO	DUNBARTON TEL CO (5)		\$0	\$0
	DUNBARTON TEL CO Total		\$0	\$0
EASTEX TEL COOP INC	EASTEX TELEPHONE COOPERATIVE INC	\$6,589,740	\$6,589,740	\$0
	EASTEX TEL COOP INC Total	\$6,589,740	\$6,589,740	\$0
ENMR TEL COOP INC	ENMR TEL COOP INC-TX	\$41,460	\$41,460	\$0

USF Funding Projection

State of Texas
Current Subsidy (all companies)
versus "Hold Harmless" Subsidy (small companies)

Holding Company	Operating Company	Current Subsidy (Note 1)	Current Subsidy for Small Companies (Note 2)	Difference (Delta Yr 3)
	ENMR TEL COOP INC Total	\$41,460	\$41,460	\$0
ETEX TEL COOP INC	ETEX TELEPHONE COOPERATIVE INC	\$3,526,872	\$3,526,872	\$0
	ETEX TEL COOP INC Total	\$3,526,872	\$3,526,872	\$0
FIVE AREA TEL CO-OP	FIVE AREA TELEPHONE CO-OP INC	\$1,293,552	\$1,293,552	\$0
	FIVE AREA TEL CO-OP Total	\$1,293,552	\$1,293,552	\$0
FORT BEND TEL CO	FORT BEND TELEPHONE COMPANY	\$1,805,544	\$1,805,544	\$0
	FORT BEND TEL CO Total	\$1,805,544	\$1,805,544	\$0
GANADO TEL CO INC	GANADO TELEPHONE COMPANY INC	\$682,596	\$682,596	\$0
	GANADO TEL CO INC Total	\$682,596	\$682,596	\$0
GTE CORPORATION	CONTEL OF TEXAS INC DBA GTE TEXAS (2)	\$1,805,196	\$0	-\$1,805,196
	GTE SOUTHWEST INC - TEXAS (2)	\$153,264	\$0	-\$153,264
	GTE SOUTHWEST INC - TX (2) (3)		\$0	\$0
	GTE CORPORATION Total	\$1,958,460	\$0	-\$1,958,460
GUADALUPE VALLEY TEL	GUADALUPE VALLEY TEL CO-OP INC	\$4,436,412	\$4,436,412	\$0
	GUADALUPE VALLEY TEL Total	\$4,436,412	\$4,436,412	\$0
HILL CNTRY TEL COOP	HILL COUNTRY TELEPHONE CO-OP INC	\$3,228,732	\$3,228,732	\$0
	HILL CNTRY TEL COOP Total	\$3,228,732	\$3,228,732	\$0
INDUSTRY TEL CO	INDUSTRY TELEPHONE COMPANY	\$1,045,416	\$1,045,416	\$0
	INDUSTRY TEL CO Total	\$1,045,416	\$1,045,416	\$0
KERRVILLE TEL CO	KERRVILLE TELEPHONE COMPANY	\$1,589,772	\$1,589,772	\$0
	KERRVILLE TEL CO Total	\$1,589,772	\$1,589,772	\$0
KINGSGATE TEL, INC.	KINGSGATE TEL, INC.	\$616,176	\$616,176	\$0
	KINGSGATE TEL, INC. Total	\$616,176	\$616,176	\$0
LA WARD TEL EXCH INC	LA WARD TELEPHONE EXCHANGE INC	\$536,664	\$536,664	\$0
	LA WARD TEL EXCH INC Total	\$536,664	\$536,664	\$0
LAKE LIVINGSTON TEL	LAKE LIVINGSTON TEL CO	\$864,204	\$864,204	\$0
	LAKE LIVINGSTON TEL Total	\$864,204	\$864,204	\$0
LIPAN TEL CO	LIPAN TELEPHONE COMPANY	\$697,680	\$697,680	\$0
	LIPAN TEL CO Total	\$697,680	\$697,680	\$0
LIVINGSTON TEL CO	LIVINGSTON TELEPHONE COMPANY	\$453,984	\$453,984	\$0
	LIVINGSTON TEL CO Total	\$453,984	\$453,984	\$0
LUFKIN TEL EXC INC	LUFKIN-CONROE TELEPHONE EXCHANGE INC	\$7,858,308	\$7,858,308	\$0
	LUFKIN TEL EXC INC Total	\$7,858,308	\$7,858,308	\$0
MID-PLAINS RURAL TEL	MID-PLAINS RURAL TEL CO-OP INC	\$1,219,176	\$1,219,176	\$0
	MID-PLAINS RURAL TEL Total	\$1,219,176	\$1,219,176	\$0
MUENSTER TEL COR TX	MUENSTER TELEPHONE CORP OF TEXAS	\$1,624,200	\$1,624,200	\$0
	MUENSTER TEL COR TX Total	\$1,624,200	\$1,624,200	\$0
PEOPLES TEL COOP	PEOPLES TELEPHONE COOPERATIVE - TX	\$1,954,944	\$1,954,944	\$0
	PEOPLES TEL COOP Total	\$1,954,944	\$1,954,944	\$0
PIONEER TELEPHONE COOPERATIVE	NORTH TEXAS TELEPHONE COMPANY	\$119,292	\$119,292	\$0
	PIONEER TELEPHONE COOPERATIVE INC Total	\$119,292	\$119,292	\$0
POKA-LAMBRO RURAL	POKA-LAMBRO TELEPHONE COOPERATIVE INC	\$1,741,584	\$1,741,584	\$0
	POKA-LAMBRO RURAL Total	\$1,741,584	\$1,741,584	\$0

USF Funding Projection

State of Texas
Current Subsidy (all companies)
versus "Hold Harmless" Subsidy (small companies)

Holding Company	Operating Company	Current Subsidy (Note 1)	Current Subsidy for Small Companies (Note 2)	Difference (Delta Yr 3)
RIVIERA TEL CO INC	RIVIERA TELEPHONE COMPANY INC.	\$910,164	\$910,164	\$0
	RIVIERA TEL CO INC Total	\$910,164	\$910,164	\$0
S PLAINS TEL CO-OP	SOUTH PLAINS TEL COOP INC	\$577,548	\$577,548	\$0
	S PLAINS TEL CO-OP Total	\$577,548	\$577,548	\$0
SANTA ROSA TELEPHONE	SANTA ROSA TEL COOP INC	\$809,160	\$809,160	\$0
	SANTA ROSA TELEPHONE Total	\$809,160	\$809,160	\$0
SO WEST AR TEL COOP	SOUTHWEST ARKANSAS TEL COOP INC (3)		\$0	\$0
	SO WEST AR TEL COOP Total		\$0	\$0
SOUTHWEST TX TEL CO	SOUTHWEST TEXAS TELEPHONE COMPANY	\$1,976,340	\$1,976,340	\$0
	SOUTHWEST TX TEL CO Total	\$1,976,340	\$1,976,340	\$0
SOUTHWESTERN BELL	SOUTHWESTERN BELL-TEXAS (2)	\$0	\$0	\$0
	SOUTHWESTERN BELL Total	\$0	\$0	\$0
SPRINT	CENTRAL TELEPHONE COMPANY OF TEXAS (2)	\$3,843,312	\$0	-\$3,843,312
	UNITED TELEPHONE CO OF TEXAS INC (2)	\$21,372,348	\$0	-\$21,372,348
	SPRINT Total	\$25,215,660	\$0	-\$25,215,660
TATUM TEL CO	TATUM TEL CO	\$662,772	\$662,772	\$0
	TATUM TEL CO Total	\$662,772	\$662,772	\$0
TAYLOR TEL COOP INC	TAYLOR TEL CO-OP INC	\$1,529,844	\$1,529,844	\$0
	TAYLOR TEL COOP INC Total	\$1,529,844	\$1,529,844	\$0
TOWNES TELECOMM	ELECTRA TELEPHONE COMPANY INC	\$1,403,352	\$1,403,352	\$0
	TOWNES TELECOMM Total	\$1,403,352	\$1,403,352	\$0
VALLEY TEL COOP INC	VALLEY TELEPHONE CO-OP INC - TX	\$6,222,420	\$6,222,420	\$0
	VALLEY TEL COOP INC Total	\$6,222,420	\$6,222,420	\$0
W TEXAS RURAL TEL	WEST TEXAS RURAL TEL CO-OP INC	\$1,764,744	\$1,764,744	\$0
	W TEXAS RURAL TEL Total	\$1,764,744	\$1,764,744	\$0
WEST PLAINS TELECOMM	WEST PLAINS TELECOMMUNICATIONS INC (3)		\$0	\$0
	WEST PLAINS TELECOMM Total		\$0	\$0
WES-TEX TEL CO-OP	WES-TEX TELEPHONE CO-OP	\$724,968	\$724,968	\$0
	WES-TEX TEL CO-OP Total	\$724,968	\$724,968	\$0
XIT RURAL TEL CO-OP	XIT RURAL TELEPHONE CO-OP INC	\$2,070,408	\$2,070,408	\$0
	XIT RURAL TEL CO-OP Total	\$2,070,408	\$2,070,408	\$0
Texas Statewide Total		\$124,215,300	\$91,359,504	-\$32,855,796

NOTES

- (1) "Current Subsidy" is the annualized amount for all subsidy payments contained in USAC's hico2q98 file.
- (2) These operating companies fall into the categorization of "Large Company" under our "Large Company Specification #2" (LCS2) which classifies an operating company as being a "large company" if either (a) it is part of a holding company with 1,000,000 or more lines nationally and/or (b) it is part of a holding company which has 100,000 or more lines in the state.
- (3) While we seem to have been able to correlate USAC's data with BCPM 3.1 & HM/HAI 5.0a results and aggregate subsidization at the holding company level, these companies (which are in one or both of the proxy models) were not found in the USAC data.

Comparison of HAI 5.0a and BCPM 3.1 Model Results By State

Attachment 4

State	Current Statewide Subsidy, Annual (USF, DEM, LTS)	BCPM 3.1 Cost Above 115% of Average	HAI 5.0a Cost Above 115% of Average
AK	\$62,597,604	\$0	\$0
AL	\$39,274,860	\$152,168,495	\$126,992,274
AR	\$70,701,192	\$218,950,068	\$116,228,336
AZ	\$28,723,608	\$0	\$0
CA	\$55,285,308	\$0	\$0
CO	\$45,893,436	\$0	\$0
CT	\$1,399,680	\$0	\$0
DC	\$0	\$0	\$0
DE	\$0	\$0	\$0
FL	\$24,235,140	\$0	\$0
GA	\$72,279,888	\$0	\$0
HI	\$897,516	\$0	\$0
IA	\$27,500,136	\$214,800,159	\$111,552,492
ID	\$28,936,632	\$49,199,630	\$59,249,906
IL	\$21,584,928	\$0	\$0
IN	\$16,500,984	\$0	\$0
KS	\$57,721,656	\$75,400,422	\$112,197,939
KY	\$25,611,804	\$134,792,841	\$63,198,388
LA	\$67,614,840	\$0	\$0
MA	\$417,600	\$0	\$0
MD	\$588,636	\$0	\$0
ME	\$16,551,732	\$54,065,464	\$58,096,845
MI	\$33,670,200	\$0	\$0
MN	\$37,414,656	\$45,280,654	\$63,792,371
MO	\$50,440,560	\$113,621,889	\$71,267,931
MS	\$28,165,488	\$216,088,713	\$142,120,937
MT	\$44,155,068	\$95,530,200	\$176,197,337
NC	\$40,577,496	\$0	\$72,106,943
ND	\$21,197,016	\$76,698,494	\$143,408,563
NE	\$19,706,664	\$74,939,491	\$149,462,106
NH	\$9,046,716	\$0	\$0
NJ	\$3,282,276	\$0	\$0
NM	\$35,243,244	\$43,262,499	\$85,345,666
NV	\$8,859,732	\$0	\$0
NY	\$37,931,772	\$0	\$0
OH	\$14,766,612	\$0	\$0
OK	\$59,899,752	\$151,393,528	\$119,521,033
OR	\$37,091,748	\$0	\$0
PA	\$25,552,656	\$0	\$0
PR	\$145,852,320	\$0	\$0
RI	\$0	\$0	\$0
SC	\$45,209,328	\$63,294,482	\$14,273,046
SD	\$16,806,792	\$94,709,493	\$138,214,018
TN	\$27,766,632	\$15,420,215	\$14,579,688
TX	\$124,215,300	\$0	\$0
UT	\$8,403,012	\$0	\$0
VA	\$13,671,552	\$0	\$0
VT	\$11,843,472	\$39,495,205	\$23,270,357
WA	\$43,494,372	\$0	\$0
WI	\$51,445,152	\$8,180,374	\$0
WV	\$21,184,260	\$144,567,554	\$100,460,881
WY	\$21,358,524	\$33,083,223	\$51,622,946
SI, DC & PR	\$1,702,569,552	\$2,114,943,093	\$2,013,160,003

The subsidy amount for each state equals the respective proxy model's statewide cost in excess of of the model generated national average. In addition, the subsidy was calculated using each mod

1997 Per Capita Income

National Ranking

States		1997
1	Mississippi	\$18,272
2	West Virginia	\$18,957
3	Arkansas	\$19,585
4	New Mexico	\$19,587
5	Montana	\$20,046
6	North Dakota	\$20,271
7	Utah	\$20,432
8	Idaho	\$20,478
9	Oklahoma	\$20,556
10	Kentucky	\$20,657
11	Louisiana	\$20,680
12	South Carolina	\$20,755
13	Alabama	\$20,842
14	South Dakota	\$21,447
15	Illinois	\$22,078
16	Arizona	\$22,364
17	Wyoming	\$22,648
18	Tennessee	\$23,018
19	Nebraska	\$23,102
20	North Carolina	\$23,345
21	Vermont	\$23,401
22	Indiana	\$23,604
23	Texas	\$23,656
24	Colorado	\$23,803
25	Missouri	\$24,001
26	Georgia	\$24,061
27	Kansas	\$24,379
28	Oregon	\$24,393
29	Wisconsin	\$24,475
30	Ohio	\$24,661
31	Florida	\$25,255
32	Alaska	\$25,305
33	Michigan	\$25,560
34	Rhode Island	\$25,760
35	Hawaii	\$26,034
36	Pennsylvania	\$26,058
37	Virginia	\$26,438
38	California	\$26,570
39	Washington	\$26,718
40	Nevada	\$26,791
41	Minnesota	\$26,797
42	Colorado	\$27,051
43	New Hampshire	\$28,047
44	Illinois	\$28,202
45	Maryland	\$28,969
46	Delaware	\$29,022
47	New York	\$30,752
48	Massachusetts	\$31,524
49	New Jersey	\$32,654
50	District of Columbia	\$35,852
51	Connecticut	\$36,263

United States \$25,598

Funding Level Impact

